

RESOLUTION NO. _____

**AUTHORIZATION TO AWARD 60 PROJECT-BASED VOUCHERS TO THE LMHADC
FOR THE DEVELOPMENT OF THE IROQUOIS SENIOR LIVING COMMUNITY**

Item No. 5F

WHEREAS, the Louisville Metro Housing Authority (LMHA) plans to submit an application to the U.S. Department of Housing and Urban Development (HUD) Special Applications Center to dispose of approximately 3.24 acres of vacant land located at 1400 Bicknell Avenue to the Louisville Metro Housing Authority Development Corp. (LMHADC) for the development of the Iroquois Senior Living Community, a 60-unit affordable rental development; and

WHEREAS, this parcel forms a portion of the 42-acre site formerly occupied by the Iroquois Homes public housing development; and

WHEREAS, the development will serve residents aged 55-plus and households that are very-low income (50% AMI) (13 units) and extremely low-income (30% AMI) (47 units) using Project-Based Voucher (PBV) subsidy; and

WHEREAS, following disposition of the property, the parcel will be owned indirectly by LMHA through its non-profit development arm, LMHADC; and

WHEREAS, per its Moving to Work (MTW) Agreement with HUD, "The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing" and "Project-based assistance for such owned units does not need to be competitively bid"; and

WHEREAS, LMHA will not enter into an Agreement to enter into a Housing Assistance Payments contract (AHAP) until satisfactory environmental and subsidy layering reviews have been completed.

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NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Executive Director and Contracting Officer of LMHA is hereby authorized, empowered, and directed to take any and all such related or ancillary actions necessary and appropriate to provide Project-Based Voucher assistance for 60 dwelling units at the Iroquois Senior Living Community, as may be reasonably determined by the Executive Director, including but not limited to issuing a Preliminary Award Letter to the Louisville Metro Housing Authority Development Corp. stating the applicable conditions and timeframes to enter into an Agreement to enter into a Housing Assistance Payments contract.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) plans to develop 60 units of affordable rental housing at 1400 Bicknell Avenue on an approximately 3.24-acre portion of the 42-acre site formerly occupied by the Iroquois Homes public housing development, furthering the Authority's commitment to providing one-for-one replacement of these demolished units.

The development will serve residents aged 55-plus and households that are very-low income (50% AMI) (13 units) and extremely low-income (30% AMI) (47 units).

Original Iroquois Homes residents (those who were relocated from the site prior to demolition) who lived in LMHA housing as of July 5, 2022, will have a lifetime residency preference for the apartments. The only re-occupancy criteria will be to be LMHA lease-compliant and age 55-plus at the time of the household's move back to the new development.

Funding for the development of the site will consist of two sources:

1. A grant in the form of a construction/permanent project loan in the amount of \$11,750,000 from the Louisville Affordable Housing Trust Fund. The loan will have a 0% interest rate, have a 20-year term, and be forgiven at maturity; and
2. Section 8 HUD-held reserves in the amount of \$12,125,500.

This resolution will allow ongoing operating subsidy to be provided through the use of 60 Project-Based Vouchers to be awarded to the Louisville Metro Housing Authority Development Corp. through a non-competitive process as permitted through LMHA's Moving to Work (MTW) Agreement with HUD.

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II. ALTERNATIVES:

- A. Authorize the award of 60 Project-Based Vouchers to the Louisville Metro Housing Authority Development Corp. for the Iroquois Senior Living Community to be located at 1400 Bicknell Ave.
- B. Do not authorize the award of 60 Project-Based Vouchers to the Louisville Metro Housing Authority Development Corp. for the Iroquois Senior Living Community to be located at 1400 Bicknell Ave.

III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- Will further the Housing Authority's mission by creating 60 units of deeply affordable housing within LMHA's jurisdiction.
- Will further LMHA's commitment to providing one-for-one unit replacement of demolished Iroquois Homes public housing units.

Submitted by: Sarah Galloway,
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April 18, 2023